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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

SEDGWICK, LLP,

Debtor.

Case No.: 18-31087-HLB

Chapter 11

**SEDGWICK, LLP'S CHAPTER 11
FOURTH STATUS CONFERENCE
REPORT**

Date: July 18, 2019

Time: 10:00 a.m.

Place: 450 Golden Gate Avenue
Courtroom 19

San Francisco, CA 94102

Judge: Honorable Hannah L. Blumenstiel

Sedgwick LLP, the debtor and debtor in possession in the above-captioned case (the "**Debtor**") hereby submits this third status conference statement (the "**Status Conference Statement**") in response to the Court's docket entry rescheduling the status conference and the date for a new status conference report entered by the Court on May 10, 2019. The Debtor filed its first, second, and third status conference statements on December 13, 2018, February 6, 2019, and May 9, 2019, respectively. The Debtor will not repeat the information in the previously filed status statements but only describe events that have occurred since the filing of the latest statement. The Debtor respectfully states as follows:

I.

SCHEDULE FOR FILING PLAN

On June 17, 2019, the Debtor filed the *Plan of Liquidation of Sedgwick LLP* [Docket No. 245] (the “**Plan**”), *Disclosure Statement in Support of Plan of Liquidation of Sedgwick LLP* [Docket No. 246] (the “**Disclosure Statement**”), and *Motion for an Order Approving the Disclosure Statement* [Docket No. 247] (the “**Solicitation Motion**”). The hearing on the Solicitation Motion was originally scheduled for August 1, 2019 at 10:00.

Since the filing of the above-described pleadings, the Debtor has been engaged in limited discovery and settlement discussions with the Official Committee of Unsecured Creditors (the “**Committee**”) regarding the *Motion for an Order Approving the Compromise of a Controversy Among the Debtor and Certain Former Equity Partners* [Docket No. 234] (the “**Partner Settlement Motion**”). As a result of these discussions, the Debtor has continued the hearing on the Solicitation Motion to August 15, 2019 at 10:00 a.m. so that it can focus on settlement discussions with the Committee regarding the Partner Settlement Motion.

The Partner Settlement Motion was rescheduled for July 18, 2019 at 10:00 but in light of the limited discovery and settlement discussions with the Committee, the Debtor also continued the hearing to August 15, 2018 at 10:00 a.m.

II.

MONTHLY OPERATING REPORTS AND DIP ACCOUNTS

The Debtor filed the following monthly operating reports (“**MOR**”) since the last status statement: [Docket Nos. 231 and 254]. The Debtor will continue to file its MORs and pay United States Trustee Fees as and when they come due.

III.

DISPOSITION OF FORMER CLIENT FILES

The Debtor operated a law firm for over 85 years. The Debtor acquired documents and other files that presumably belong to former clients. It was common for the Debtor to store such documents with a third-party that specializes in the storage of client files. The Debtor has mailed all former clients advising them of the process in place to retrieve their files. The Debtor is responding

1 to what it believes are the last of the file disposition requests. Per the terms of the settlement with
2 GRM [Docket Nos. 164 and 207], GRM is in the process of reconciling the cost that was paid by
3 former clients, which will be offset against the settlement payment paid to GRM. Once that is
4 complete, the Debtor expects to receive a reimbursement from GRM by the end of August 2019.

5 **IV.**

6 **ACCOUNTS RECEIVABLE**

7 The Debtor's Court approved collection consultants have been actively engaged in the
8 collection of outstanding accounts receivable. As reflected in the schedules of assets and liabilities
9 [Docket No. 107] and amended schedules of assets and liabilities [Docket 119], the Debtor estimated
10 that approximately \$1,000,000 of the outstanding accounts receivable would be collected. Since the
11 petition date, a total of \$1,500,022 has been collected, comprised of \$1,406,394 of U.S. balances
12 collected by On-Site and an additional \$93,628 in UK (figure is USD equivalent of GBP collections)
13 and Bermuda balances collected by C&C. The Debtor and its collection consultants are hopeful they
14 will be able to continue collecting more than what the Debtor originally estimated.

15 **V.**

16 **NOTICE**

17 Notice of this Status Conference Statement was served on (i) the Office of the United States
18 Trustee; (ii) counsel to the Official Committee of Unsecured Creditors; and (iii) all parties requesting
19 service.

20 Dated: July 11, 2019

PACHULSKI STANG ZIEHL & JONES LLP

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22 By: /s/ John W. Lucas
John W. Lucas

23 Attorneys for Sedgwick, LLP
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STATE OF CALIFORNIA)
)
CITY OF SAN FRANCISCO)

I, Oliver Carpio, am employed in the city and county of San Francisco, State of California. I am over the age of 18 and not a party to the within action; my business address is 150 California Street, 15th Floor, San Francisco, California 94111-4500.

On July 11, 2019, I caused to be served the following documents in the manner stated below:

- SEDGWICK, LLP'S CHAPTER 11 FOURTH STATUS CONFERENCE REPORT***

<input checked="" type="checkbox"/>	TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document was served by the court via NEF and hyperlink to the document. On <u>July 11, 2019</u> , I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below
<input checked="" type="checkbox"/>	(BY MAIL) I am readily familiar with the firm's practice of collection and processing correspondence for mailing. Under that practice it would be deposited with the U.S. Postal Service on that same day with postage thereon fully prepaid at San Francisco, California, in the ordinary course of business. I am aware that on motion of the party served, service is presumed invalid if postal cancellation date or postage meter date is more than one day after date of deposit for mailing in affidavit.
<input checked="" type="checkbox"/>	(BY EMAIL) I caused to be served the above-described document by email to the parties indicated on the attached service list at the indicated email address.

I declare under penalty of perjury, under the laws of the State of California and the United States of America that the foregoing is true and correct.

Executed on July 11, 2019 at San Francisco, California.

/s/ Oliver Carpio
Legal Assistant

NEF/ECF List (May 9, 2019):

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